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S E C R E T SECTION 01 OF 03 KUALA LUMPUR 000833

SIPDIS

FOR EAP, EAP/MTS AND INR

E.O. 12958: DECL: 09/19/2028

TAGS: [PGOV](#) [PREL](#) [PINR](#) [MARR](#) [KDEM](#) [MY](#)

SUBJECT: PM ABDULLAH SET BACK BY UMNO SUPREME COUNCIL MEETING

REF: A. KUALA LUMPUR 821 - ABDULLAH TAKES DEFENSE MINISTRY

[1](#)B. KUALA LUMPUR 815 - SEPT 16 ANTI-CLIMAX

[1](#)C. KUALA LUMPUR 810 - UPROAR OVER ISA

Classified By: Political Section Chief Mark D. Clark, reason 1.4 (b and d).

Summary and Comment

[1](#)1. (C) Prime Minister Abdullah Badawi failed to quell dissent or gain consensus support for his 2010 transition plan during a very heated September 18 UMNO Supreme Council meeting, which featured calls for Abdullah to step down led by UMNO VP Muhyiddin Yassin. Following the meeting, Muhyiddin and other advocates of Abdullah's early exit reiterated their positions in public, while Abdullah and his camp appeared defensive. The Prime Minister hinted he could leave sooner than the 2010 handover, but affirmed that the decision on when to step down in favor of Deputy Prime Minister Najib was his (Abdullah's) alone. Continuing his psychological warfare, Opposition leader Anwar Ibrahim called for a special session of Parliament on September 23 to hold a vote of no-confidence against the PM, a suggestion immediately shot down by PM Abdullah. Over the next two weeks, Anwar is focused on gaining the King's approval and recognition of his would-be new majority, according to a senior opposition source. The Opposition reportedly welcomed Abdullah's removal of Najib as Defense Minister, but remains concerned that Najib could become Prime Minister.

[1](#)2. (C) Comment: This is a low point for Abdullah. The Prime Minister's failure to quell dissent in the UMNO Supreme Council is a serious, though not yet fatal, blow to his hopes of remaining in power and gaining reelection in the December party polls. Two dates in early October will serve to push UMNO elites toward a decision point on the leadership issue, namely the October 9 start of the UMNO divisional elections and the October 13 reconvening of Parliament. Abdullah's party critics already are arguing that they cannot sell Abdullah's reelection to the UMNO divisions come October 9. Abdullah's detractors may also urge that UMNO be under Najib's stronger leadership when it faces Anwar and threat of a no-confidence vote after Parliament reconvenes. Under these circumstances, Anwar has more incentive to move as aggressively as he can in the coming weeks, though doubts remain over Anwar's crossover support, and the possibility of a government crackdown against Anwar and the Opposition cannot be dismissed. End Summary and Comment.

Supreme Council Meets over Abdullah's Transition Plan

13. (C) The United Malays National Organization (UMNO) Supreme Council met on September 18 in a session intended to address PM Abdullah's plan to seek reelection as party president in December and remain power until 2010, when Abdullah would step down in favor of DPM Najib Tun Razak. Abdullah sought to regain the Supreme Council's endorsement of the plan and thereby quell calls for his speedy resignation which have resurfaced over the past few weeks. Prior to the meeting, Embassy sources as well as various media accounts stated that UMNO leaders opposed to Abdullah's continuation in power, including UMNO VP Muhyiddin and possibly DPM Najib himself would use the meeting to reject the 2010 transition plan and seek Abdullah's removal. Former PM Mahathir reportedly lent renewed support to the effort to remove Abdullah.

Abdullah Emerges Beleaguered

14. (SBU) The closed door meeting ended after only two hours. Immediately afterward, PM Abdullah spoke to reporters, but focused his comments on dismissing Anwar Ibrahim's call for an emergency parliamentary session. In response to questions, Abdullah said he had not used the Supreme Council meeting to explain again his transition plan. Sounding beleaguered, Abdullah told reporters: "Because the (UMNO division) meetings have not started, and whatever things that I need to do, whatever action that I will take, it's all up to me. I will talk to Najib (regarding future decisions),

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there's no need to repeat." (Note: UMNO division elections begin October 9. End Note.) The Prime Minister added that, "I did not explain again. I just said that I'm aware, I'm putting my ears close to the ground." Abdullah did not offer a strong reaffirmation of the transition plan to the public, as he did earlier in the week after meeting with Najib. Likewise, the UMNO-affiliated media, such as the dailies Utusan and New Straits Times, that had trumpeted the transition as a fait accompli and already in train only several days, took this issue off the front page and also carried criticisms from Abdullah's rivals.

Muhyiddin Insists on Abdullah's Early Exit

15. (SBU) In the clearest public signal that the meeting went poorly for Abdullah, UMNO VP Muhyiddin met reporters afterward and confidently explained that he had reiterated his stance to the Supreme Council, namely that Abdullah should step down soon, adding that "none of my colleagues criticized me over the remarks...." Apparently pressed for details on when Abdullah should hand over to Najib, Muhyiddin replied, "No specific date, we just gave our views and that of the grassroots who want it to be done as soon as possible. We gave space for the president (Abdullah) to discuss it with Najib."

Accounts of a "Heated" Meeting

16. (U) A major daily, The Star, reported on September 19 that Supreme Council members had endorsed a "speedier transition," quoting one unidentified council member as saying, "Let's just say this time the president got the message." According to on-line reports, including that of Malaysia Insider, Foreign Minister Rais Yatim, UMNO women's wing leader Rafidah Aziz and Culture Minister Shafie Apdal supported Muhyiddin in the meeting. Najib and several others reportedly spoke in defense of Abdullah.

17. (C) A local press source, with close links to UMNO leaders who has reported accurately in the past, provided us with his second-hand account of the UMNO meeting. He

described the discussion as "very heated." In addition to those UMNO leaders noted in press accounts, Domestic Trade Minister Shahrir Samad, who has appeared loyal in the past, urged Abdullah not to run for party reelection because it was "untenable" with UMNO grassroots, and Abdullah's nomination could not be presented to the UMNO divisions in October. Rafidah Aziz was more strident and told the PM who he "would not get even 10 nominations (from the hundreds of UMNO divisions)." After hearing this criticism, Abdullah reportedly became emotional, at which point DPM Najib intervened to stop the discussion.

Najib Bids Good-bye to Defense, Cuts Mideast Trip

18. (C) DPM Najib carried out good-bye ceremonies at the Defense Ministry on September 19, two days after PM Abdullah decided with "immediate effect" to take on the Defense Minister role himself in a swap with Najib taking the Finance Minister I portfolio. Meanwhile, the Malaysian military appears uncertain of its civilian chain of command. A top Malaysian military official told Embassy DAO on September 19 that he did not know who was overseeing the armed forces at this moment, but it would be worked out. Press announced on September 19 that Najib had cancelled his plans to visit the Middle East, a trip originally scheduled to begin today, and will delay his arrival in New York for the UN General Assembly. Najib's office informed polchief that the DPM will be in New York November 25-29, and in Washington from September 30 until October 2.

Anwar's Psy-War Continues

19. (C) Continuing his psychological warfare, Opposition leader Anwar Ibrahim on September 18, only hours before the UMNO meeting, urged the Prime Minister to call a special session of Parliament by September 23 in order to hold a vote of no-confidence against the PM. Abdullah immediately and

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predictably dismissed Anwar's request after the UMNO Supreme Council meeting.

10. (S) Tian Chua (protect), the PKR information chief and close aide to Anwar, told polchief September 19 that Anwar's call for an emergency session of Parliament and the earlier request to meet with PM Abdullah to convince him the Opposition now has the majority were merely "diversions." Instead, Anwar was focused on bringing down the government before October 1 by making an approach to the King (who has the constitutional authority to determine who commands the majority in Parliament). Tian Chua claimed Anwar had already provided the King with information on those government MPs who intended to defect, but that Anwar believed he would need to present these MPs physically before the King and that was a practical obstacle. Tian Chua said the number of immediate crossovers would not provide a comfortable majority in Parliament, and that some but "not enough" ethnic Malay/Muslim MPs would be among those defecting. However, the Opposition hoped that once Anwar had a slim majority more ethnic Malay MPs from UMNO would jump to Anwar's side. Tian Chua said that UMNO veteran Tengku Razaleigh Hamzah had not agreed to switch to the Opposition, contradicting public pronouncements from others in Anwar's circle.

11. (C) Tian Chua concluded that the uproar over the government's recent use of the Internal Security Act to arrest three people, and the immediate release of one detainee, significantly reduced the chance Abdullah could invoke the ISA to detain more opposition figures. Nevertheless, Anwar had decided to tone down his messages over the next few days to avoid giving the BN government a pretext for a crackdown. Tian Chua stated that the Opposition was benefiting from the disarray in Abdullah's government, and was pleased that Najib was no longer Defense

Minister. He added that if he became Prime Minister, Najib would be much more difficult opponent and more likely to use harsh measures to stop the Opposition, a view we have heard consistently from Anwar and senior Opposition leaders.

KEITH